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SUBJECT: OMAN RESPONSE TO 2007 SPECIAL 301 REVIEW

REF: STATE 7944

Summary

¶1. (U) Over the past year, the Omani government has taken significant steps to protect intellectual property, including the undertaking of extensive revisions to its intellectual property protection regime in advance of implementation of the U.S.-Oman Free Trade Agreement (FTA). Given these efforts, Embassy Muscat recommends that Oman not be placed on the "Watch List," as proposed by the Pharmaceutical Researchers and Manufacturers of America (PhRMA), or the "Special Mention List," as proposed by the International Intellectual Property Alliance (IIPA). End Summary.

Addressing PHRMA Concerns

¶2. (U) In response to PhRMA's concerns regarding patent protection for U.S. pharmaceutical products in Oman, the Ministry of Health's Directorate of Rational Drug Use has been cooperative in working with the Embassy in the context of the recently ratified FTA. On November 7, 2006, Econoff met with Dr. Batool Jaffer Suleiman, the Ministry's Director of Rational Drug Use, to discuss the process by which U.S. pharmaceutical products will be registered and protected in Oman. Suleiman commented that once the U.S.-Oman Free Trade Agreement (FTA) comes into effect, the Ministry would recognize all U.S. pharmaceutical product patent expiration dates. In this regard, she remarked that the Ministry will ask U.S. pharmaceutical companies, through their representatives in Oman, to submit a master list of the products they produce, to include trade name, chemical name, first filing date, strength, patent expiration date, and a copy of the original U.S. patent.

¶3. (U) During the December 6 U.S.-Oman FTA Awareness Conference, the Embassy organized a panel discussion on the importance of protecting intellectual property, which featured Dr. Suleiman, her supervisor, Dr. Sawsan bint Ahmad Jafar, and representatives from PhRMA, including Pfizer's Mohammed Roushdy and PhRMA's Samir Mansour. During the discussion, Suleiman reiterated her government's commitment to honoring the provisions of the Agreement related to intellectual property, including the protection of U.S. pharmaceutical products until their U.S. patent expiration date.

¶4. (SBU) On January 30, Econoff arranged for a teleconference with Suleiman, PhRMA Chairman Nidal Fakhoury (also General

Manager of Merck Middle East), and Mansour. During the teleconference, Suleiman again noted that the Ministry of Health would be the focal point in recognizing the validity of U.S.-patented pharmaceuticals until a patent registration system was established in Oman. She informed Fakhoury that the Ministry would require information outlined in paragraph 2 of this message. While noting that patent protection for products already on the market in Oman would not be retroactive, Suleiman agreed to review the status of those generic products granted registration while FTA negotiations were proceeding.

15. (U) On February 21, Econoff and Fakhoury met to discuss the outcome of his meeting with Suleiman earlier in the day. Fakhoury said that Suleiman reiterated her government's position that U.S. pharmaceuticals would be protected once the FTA entered into force. She confirmed that, in reviewing the material submitted by U.S. pharmaceutical companies, she would use an on-line registration confirmation system to verify the patent. Suleiman also renewed her offer to review the status of those generics of U.S.-patented products granted registration approval during the course of FTA negotiations. Fakhoury told Econoff that he asked Suleiman not to revoke the registration of these generics, but rather to withhold marketing approval until the U.S. patent expired. Suleiman appeared to be amenable to the suggestion.

Addressing IIPA Concerns

16. (U) The Omani government has worked extensively with USG counterparts to revise its already strong intellectual property regime in advance of the implementation of the FTA. The government is finalizing revisions to its industrial property and copyright laws, which will provide increased IPR protection for copyrights, trademarks, geographical indications, and patents. Oman will also improve enforcement and protection of undisclosed test data from unfair commercial use.

17. (SBU) In previous discussions on this issue, the Director of Intellectual Property at the Ministry of Commerce and Industry highlighted recent collaborative efforts of the Ministries of Commerce and Industry, Information, Heritage and Culture, and the Royal Oman Police (ROP) in conducting extensive sweeps of Muscat's commercial districts, which netted over 40,000 counterfeit media products. He also has been receptive to Econoff's delivery of industry concerns on the extent to which cable splitting had permeated military installations, private sector facilities, and apartment residences. The Director also took on-board the recent trend of selling encrypted signals over broadband lines, as well as satellite receiver box manufacturers selling units that by-pass security access codes. Heremarked that he stood ready to assist, but required further information from the industry in order to raise these issues with the ROP. The Director expressed concern about the quality of information received from private industry, noting that the Minister had received blowback from private sector-identified recipients of Ministry "cease and desist" letters.

18. (U) On computer software usage, the Omani government recently concluded a three-year agreement with Microsoft for the use of the company's licensed products. Under the agreement, the Omani government will pay Microsoft USD five million per year for the use of 22,500 desktop software licenses, which will enable the government to upgrade its Windows platform and Microsoft Office applications. In turn, Microsoft will invest USD two million per year in training programs for government employees and the general community. Microsoft's country manager noted that the Omani government's approval of the partnership agreement signified its commitment to protecting intellectual property. He also remarked that it is now generally more difficult to purchase pirated software in Oman.

Receptive to Assistance

¶9. (U) The Omani government is very open to receiving technical assistance programs to enhance its intellectual property protection efforts. The U.S. Patent and Trademark Office (USPTO) held a successful intellectual property rights (IPR) seminar for Arab prosecutors in Muscat from January 22-24, which featured a presentation on intellectual property from an Omani Supreme Court justice. USPTO also held seminars December 3-4 and December 5-6 in Muscat on intellectual property for judges and prosecutors, and investigators and customs officials, respectively. The Omani government regularly nominates officials for participation in USPTO-sponsored programs at its headquarters in Alexandria.

Comment

¶10. (SBU) With the extensive work that Oman has expended during the past year on improving its intellectual property protection regime in anticipation of the FTA, the USG would send the wrong message by placing Oman on the "Watch List" or "Special Mention List" for 2007. The Omani government has worked closely with U.S. intellectual property counterparts to strengthen its legal framework and create intellectual property awareness among the various ministries. Moreover, it continues to show sustained interest in and commitment to its IPR protection regime. For these reasons, Embassy Muscat strongly recommends excluding Oman from these lists. End Comment.
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